



Department of Justice

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JDS UNIPHASE DIVESTS ITS FIBER-OPTIC PUMP LASER BUSINESS TO ADDRESS JUSTICE DEPARTMENT'S ANTITRUST CONCERNS

Divestiture Maintains Competition in a Key Technology for the Fiber Optic Network

WASHINGTON, D.C. -- The Department of Justice announced today that JDS Uniphase Corporation has agreed to sell its 980 nanometer pump laser chip business to Nortel Networks in order to resolve antitrust concerns about JDS Uniphase's proposed acquisition of SDL Inc. The Department said that the deal, as originally proposed, would have led to the loss of head-to-head competition in the production of 980 nm pump laser chips, resulting in higher prices for businesses and less product innovation.

This type of pump laser chip is used to power amplifiers that strengthen and boost fiber optic signals for all kinds of telecommunications purposes and is essential to the widespread deployment of fiber-optic networks used for cable, telecommunications, and the Internet. If the transaction had gone forward as initially proposed, the combined firm would have had a market share for 980 nm pump laser chips exceeding 80 percent.

Under the divestiture, JDS Uniphase has agreed to sell its entire Uniphase Laser Enterprise (ULE) division to Nortel Networks in a transaction valued at about \$3 billion. ULE is a major manufacturer of 980 nm pump laser chips. Nortel Networks will acquire all the assets located at ULE's facility in Zurich, Switzerland, as well as additional assets located in Poughkeepsie, New York, that are used in the manufacture of 980 nm pump laser chips.

JDS Uniphase, with headquarters in San Jose, California, and Ottawa, Canada, is a significant provider of advanced fiber-optic components and modules for the telecommunications industry. JDS Uniphase is a publicly traded company with 16 manufacturing facilities throughout the world. JDS Uniphase had annual revenues for fiscal year 2000 of \$1.4 billion.

SDL, headquartered in Santa Clara, California, is in the business of deploying semiconductor laser technology into a wide variety of applications including fiber-optic and satellite communications. SDL has manufacturing facilities in Santa Clara, California and Victoria, British Columbia, Canada. SDL's annual revenues for 2000 were \$505 million.

Nortel Networks, headquartered in Brampton, Ontario, Canada, is a global internet and communications equipment manufacturer. In 2000, Nortel Networks' annual revenues exceeded \$30 billion.

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